

# City Treasurer



## Department Description

The Office of the City Treasurer is responsible for the receipt and custody of all City-wide revenue including banking, tax administration, collection of delinquent accounts, and accounting for these funds. The City Treasurer is also responsible for the investment of all operating and capital improvement funds totaling on average \$2.06 billion in Fiscal Year 2010 and the reinvestment of debt proceeds of the City and its affiliated agencies. In addition, the City Treasurer serves as a member of the Funds Commission and trustee for the SPSP/401(k) Plans. The major programs of the Office of the City Treasurer are as follows:

### Accounting

The Accounting Program is responsible for administration of the City's accounts receivable process; the administration of the Transient Occupancy Tax (TOT) and Tourism Marketing District (TMD) assessment, including processing returns and payments; the collection of City-wide payments, including fees, fines, permits and taxes; the oversight of the City-wide deposit process, including approving daily deposits and reconciling the City's bank accounts; and accounting for investments in the Mt. Hope Cemetery Perpetuity, Los Penasquitos Canyon Preserve, Jane Cameron, G.E. Peters, and the Effie Sergeant and Edwin A. Benjamin Memorial Trust Funds.

### Business and Rental Unit Business Tax

The Business and Rental Unit Business Tax Program administers the collection of the City's Business Tax and Rental Unit Business Tax assessments and fees, performs compliance enforcement, collects Business Improvement District fees, and maintains the regulatory clearance review data for businesses operating within the City of San Diego.

### Investments

In compliance with the City Treasurer's Investment Policy, the Investments Program manages the City's operating, capital improvement, and project financing funds in order to safely preserve principal, provide adequate liquidity, and earn a return comparable to performance benchmarks. The Investments Division manages the reinvestment of additional bond proceeds for the City, City agencies, and Joint Power Authorities; provides cash management services including maintenance of banking relationships and reviewing new banking legislation; assists in the development and implementation of new payment and collection systems for the City which includes participating in

# City Treasurer

the review, implementation, and monitoring of all electronic banking services, e-commerce systems, and third-party payment-processing services.

## Revenue Audit & Appeals

The Revenue Audit & Appeals Program conducts audits of Transient Occupancy Tax (TOT) and Tourism Marketing District (TMD) assessment operators, lessees, and franchisees to ensure revenue due the City is remitted timely and accurately. The Program also administers appeal hearings conducted by the City Treasurer.

## Revenue Collections

The Revenue Collections Division administers the Delinquent Accounts and Parking programs. The Delinquent Accounts Program is responsible for the administration and collection of delinquent accounts referred to the City Treasurer by other City departments and agencies. The Program also represents the City in small claims court actions on delinquent accounts. The Parking Administration section handles parking citation customer service functions, issues residential parking permits, and reviews and processes parking citation appeals. The Parking Meter Operations section collects parking meter coins and installs, maintains, and enforces City parking meters.

The Department's mission is:

*To receive, safeguard, and efficiently manage public funds while providing the highest level of customer service*

## Goals and Objectives

The following are the strategic goals and objectives for the Department.

### ***Goal 1: Safeguard all City monies through the use of strong internal controls***

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Continue to ensure safe and secure working facilities
- Maintain a secure data environment that safeguards information collected by the Department
- Effectively manage banking services to safeguard City assets
- Properly account for all City revenue
- Effectively manage City investments

### ***Goal 2: Engage in continuous improvement to effectively manage resources***

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Continuously evaluate business processes to identify areas for improvement
- Utilize technology to continue enhancing the services provided

### ***Goal 3: Stay current and in compliance with laws and regulations that pertain to treasury services***

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Ensure compliance with legal and regulatory requirements
- Provide training, educational, and networking opportunities to ensure that employees are aware of changes to applicable laws and regulations
- Maintain compliance with internal and external audit reviews
- Effectively perform revenue auditing in order to maintain compliance
- Effectively administer all City taxes to ensure tax compliance

# City Treasurer

## ***Goal 4: Provide world-class customer service to both internal and external customers***

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Assist the public in understanding the services that the Department provides
- Effectively provide accurate and timely information to customers and stakeholders

## ***Goal 5: Foster and promote a supportive, collaborative, and integrated work environment through a trained and skilled workforce***

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Provide necessary equipment, training, and resources to support employees
- Create an environment where employees are celebrated and recognized for outstanding performance

## ***Goal 6: Promote the highest ethical standards and behavior among employees***

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Offer training to management and staff on ethical standards
- Conduct management review of standards and ethical practices with staff on a regular basis

## ***Goal 7: Prudently invest and manage the City's cash investment portfolio pursuant to the State of California Government Code***

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Fully comply with the City Treasurer's Investment Policy, as well as with all applicable California Government Code
- Preserve principal, ensure liquidity, and achieve a reasonable yield for the City's Pooled Investment Fund
- Annually update the City Treasurer's Investment Policy to reflect new legislative changes and prudent investment practices

## **Service Efforts and Accomplishments**

### **Accounting**

In Fiscal Year 2011, the Accounting Program implemented a new online Transient Occupancy Tax (TOT)/Tourism Marketing District (TMD) assessment payment application, allowing hotel and seasonal operators to pay via the Internet. This new online payment option was well-received and has decreased the number of payments manually processed by the Program.

In Fiscal Year 2010, Treasury Accounting took on the responsibility of overseeing SAP Accounts Receivable (AR). The Accounting Program is responsible for managing AR master data and the timely application of payments. As of June 2010, AR payments received through the mail are processed via a remittance processor further streamlining the City's AR processes.

In Fiscal Year 2010, the Accounting Program processed \$147.0 million in TOT/TMD and \$97.0 million in AR payments. In addition, the Cashiering section processed over 39,000 transactions totaling \$222.4 million.

The Accounting Program posted over 29,000 deposit documents totaling more than \$1.0 billion in Fiscal Year 2010. The Program also implemented a new partially automated process for recording returned checks, increasing efficiency.

### **Administration**

In Fiscal Year 2010, the City Treasurers' Information Technology staff assisted with implementation of over five IT projects, streamlining processes, creating efficiencies throughout the Department, and enhancing overall customer service.

# City Treasurer

## **Business and Rental Unit Business Tax**

The Business Tax Program added the ability to allow business owners to register online for a Business Tax Certificate. The new process decreases the need for paper documents, improves customer service, and decreases manual processing by City staff.

The Business Tax Program also implemented a new Rental Unit Business Tax billing system which will automate various functions and improve research capabilities.

The Business Tax Program is leading an efficiency study that will make recommendations to streamline the City's business regulatory and taxation process. The overall objective of this study is to eliminate redundancy, optimize regulatory and tax revenue collection, and improve overall service to the business community.

In Fiscal Year 2010, the Business Tax Program processed 13,325 Business Tax applications and 162,189 Business Tax renewals, while assisting over 77,000 customers.

## **Investments**

In Fiscal Year 2010, the Investments Division invested an average of \$2.06 billion in operating and capital improvement funds, reinvested an average of \$438.2 million in debt proceeds, and realized \$42.9 million in interest earnings on the City's Pooled Investment Fund. In Fiscal Year 2010, the liquidity portfolio reported an earned income yield of 0.51% and the core portfolio yielded 2.70% for an overall yield of 1.92% for the City's Pooled Investment Fund. In addition, the Investments Division's recommendation on the maturity structure of the Fiscal Year 2010 Tax and Revenue Anticipation Notes resulted in a cost savings for the City's General Fund.

As required by Government Code, the City Treasurer's 2011 Investment Policy was presented to and accepted by the City Council in November 2010. The Division's monthly investment report was updated and provides a comprehensive review of the City's investment performance and portfolios. In its role as a fiduciary charged with the prudent investment of City funds, the Investments Division continues to work to ensure that exemplary internal controls and safeguards are in place.

Several new online payment options were implemented in the second half of Fiscal Year 2010. These implementations allowed residents to pay for such services as Business Tax Applications, Library fees, and Police Alarm Permits through the Internet by credit card. It is anticipated that further City payments will be made available either online or through easy to access media for the residents of San Diego in the next fiscal year.

## **Revenue Audit and Appeals**

In Fiscal Year 2010, 117 revenue audits (Transient Occupancy Tax (TOT) and Tourism Marketing District (TMD) assessment operators, lessees, business taxes, and franchisees) were completed resulting in deficiencies of \$2.0 million.

## **Revenue Collections**

The Delinquent Accounts Program maintains a net collection rate of 87 percent on delinquent receivables. Due to the Program's aggressive stance on collections and resulting success, the Program is often contacted by other cities for assistance in establishing delinquent account collection programs.

In Fiscal Year 2010, the Delinquent Accounts Program collected \$27.5 million in delinquent account revenue and responded to 129,040 customer calls.

Parking Administration enhanced the parking website (<http://www.sandiego.gov/parking>) which now provides customers the option to file parking citation disputes online.

# City Treasurer

In Fiscal Year 2010, the Parking Administration Program processed 452,432 parking citations totaling \$22.5 million in revenue, reviewed and processed 23,919 citation appeals, and assisted 83,845 parking customers over the phone.

The Revenue Collections Division consolidated the Delinquent Accounts and Parking Administration lobby operations. This consolidation allows customers to conduct business at one location five days per week.

In Fiscal Year 2010, the Parking Meter Operations Program collected 364,425 pounds of coin totaling \$7.0 million in parking meter revenue.

## Key Performance Indicators

Performance Measure	Actual FY2010	Estimated FY2011
Percentage of bank reconciliations completed within 45 days of month-end	100%	100%
Percentage of satisfied customers from Treasury lobby surveys	97%	97%
The number of basis points the Core and Liquidity Investment Portfolios out-performed their benchmarks on a rolling 3-year basis. (Core Portfolio benchmark: Bank of America Merrill Lynch 1-3 year Treasury Index; Liquidity Portfolio benchmark: Bank of America Merrill Lynch 3-6 month Treasury Bill Index)	Core: 26 bps Liquidity: 18 bps	Core: 38 bps Liquidity: 42 bps
Transient occupancy tax, lease, and franchise audits completed within the Revenue Audit Program's budgeted hours	98.4%	97.0%
Percent of professional workforce attending trainings, conferences, and continuing education programs	100%	100%
Percentage of delinquent account referrals collected	82%	77%



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## Department Summary

	FY2011 Budget	FY2012 Proposed	FY2011–2012 Change
Positions	110.63	116.63	6.00
Personnel Expenditures	\$ 9,738,628	\$ 10,649,004	\$ 910,376
Non-Personnel Expenditures	8,333,260	8,441,618	108,358
<b>Total Department Expenditures</b>	<b>\$ 18,071,888</b>	<b>\$ 19,090,622</b>	<b>\$ 1,018,734</b>
<b>Total Department Revenue</b>	<b>\$ 25,804,395</b>	<b>\$ 24,354,288</b>	<b>\$ (1,450,107)</b>

## General Fund

### Department Expenditures

	FY2011 Budget	FY2012 Proposed	FY2011–2012 Change
Administration	\$ 3,051,729	\$ 2,670,540	\$ (381,189)
Revenue Collections	10,957,399	11,406,580	449,181
Treasury Operations	4,062,760	5,013,502	950,742
<b>Total</b>	<b>\$ 18,071,888</b>	<b>\$ 19,090,622</b>	<b>\$ 1,018,734</b>

### Department Personnel

	FY2011 Budget	FY2012 Proposed	FY2011–2012 Change
Administration	18.63	11.63	(7.00)
Revenue Collections	60.00	64.00	4.00
Treasury Operations	32.00	41.00	9.00
<b>Total</b>	<b>110.63</b>	<b>116.63</b>	<b>6.00</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Equipment/Support for Information Technology</b> Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	\$ 2,440,503	\$ -
<b>Non-Discretionary Adjustment</b> Total expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	476,512	-
<b>Support for the Parking Utilization Program</b> Addition of 3.00 Parking Meter Technicians, 1.00 Parking Meter Supervisor, and associated non-personnel expenditures and revenue related to the implementation of the Parking Utilization Program.	4.00	379,891	1,586,736
<b>Citywide Accounts Receivable Additions</b> Adjustment to add 1.00 Principle Accountant to oversee the citywide accounts receivable process, 1.00 Administrative Aide II for administering the master data centralization of customers, and associated non-personnel expenditures.	2.00	283,641	-
<b>Addition of Program Manager</b> Addition of 1.00 Program Manager for the Business Tax Program.	1.00	166,046	-

# City Treasurer

## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>BondEdge Investment System Upgrade</b> Adjustment of non-personnel expenditures for upgrades to the BondEdge Investment System to enhance the City's capability to efficiently manage the City's investment portfolio.	0.00	20,000	-
<b>Multi-Space Parking Meters</b> Adjustment of non-personnel expenditures for warranty costs associated with the purchase of multi-space parking meters.	0.00	19,110	-
<b>Hourly Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	0.63	16,404	-
<b>CALE Contract Lease Agreement</b> Reduction of non-personnel expenditures due to the elimination of the multi-space meter lease associated with the CALE contract. The City purchased 131 multi-space parking meters in Fiscal Year 2011 eliminating the need to lease the pilot program meters.	0.00	(51,451)	-
<b>Reduction of Banking Merchant Card Fees</b> Reduction of non-personnel expenditures due to the elimination of banking merchant card fees associated with online parking web and Interactive Voice Response (IVR) payments.	0.00	(86,000)	-
<b>Reduction of Senior Management Analyst</b> Reduction of 1.00 Senior Management Analyst.	(1.00)	(121,770)	-
<b>One-Time Reductions and Annualizations</b> Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2011.	0.00	-	(482,914)
<b>Revised Revenue</b> Adjustment to reflect Fiscal Year 2012 revenue projections.	0.00	-	(2,553,929)
<b>Total</b>	<b>6.63</b>	<b>\$ 3,542,886</b>	<b>\$ (1,450,107)</b>

## Expenditures by Category

	FY2011 Budget	FY2012 Proposed	FY2011-2012 Change
<b>PERSONNEL</b>			
Salaries and Wages	\$ 5,691,440	\$ 6,191,662	\$ 500,222
Fringe Benefits	4,047,188	4,457,342	410,154
<b>PERSONNEL SUBTOTAL</b>	<b>\$ 9,738,628</b>	<b>\$ 10,649,004</b>	<b>\$ 910,376</b>
<b>NON-PERSONNEL</b>			
Supplies	\$ 390,685	\$ 417,685	\$ 27,000
Contracts	1,877,436	1,884,095	6,659
Information Technology	2,601,970	2,440,503	(161,467)
Energy and Utilities	21,913	36,545	14,632
Other	3,434,506	3,656,040	221,534
Capital Expenditures	6,750	6,750	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>\$ 8,333,260</b>	<b>\$ 8,441,618</b>	<b>\$ 108,358</b>
<b>Total</b>	<b>\$ 18,071,888</b>	<b>\$ 19,090,622</b>	<b>\$ 1,018,734</b>

# City Treasurer

## Revenues by Category

		FY2011 Budget		FY2012 Proposed		FY2011-2012 Change
Charges for Services	\$	1,042,617	\$	1,026,423	\$	(16,194)
Fines Forfeitures and Penalties		2,191,000		2,323,000		132,000
Licenses and Permits		22,570,778		21,004,865		(1,565,913)
<b>Total</b>	<b>\$</b>	<b>25,804,395</b>	<b>\$</b>	<b>24,354,288</b>	<b>\$</b>	<b>(1,450,107)</b>

## Personnel Expenditures

Job Number	Job Class	Job Title / Wages	FY2011 Budget	FY2012 Proposed	Salary Range	Total
<b>Salaries and Wages</b>						
20000011	1104	Account Clerk	3.00	3.00	\$31,491 - \$37,918	\$ 108,634
20000866	1842	Accountant 2	4.00	4.00	54,059 - 65,333	159,967
20000007	1100	Accountant 3	4.00	4.00	59,363 - 71,760	207,745
20000102	1183	Accountant 4	1.00	1.00	66,768 - 88,982	80,891
20000024	1107	Administrative Aide 2	4.00	5.00	42,578 - 51,334	225,711
20001208	2256	Assistant Investment Officer	2.00	2.00	23,005 - 137,904	172,900
20000119	1218	Associate Management Analyst	2.00	2.00	54,059 - 65,333	127,400
20000266	1330	Cashier	2.00	2.00	31,491 - 37,918	73,940
20000539	1535	Clerical Assistant 2	10.00	10.00	29,931 - 36,067	315,403
20000540	1535A	Clerical Assistant 2	1.00	1.00	29,931 - 36,067	35,165
20000268	1331A	Collections Investigator 1	2.00	2.00	40,186 - 48,526	94,626
20000267	1331	Collections Investigator 1	17.00	17.00	40,186 - 48,526	797,041
20000269	1332	Collections Investigator 2	3.00	3.00	45,198 - 54,558	159,582
20000270	1333	Collections Investigator 3	4.00	4.00	49,712 - 60,070	234,272
20000287	1344	Collections Manager	1.00	1.00	66,768 - 80,891	80,891
20001168	2214	Deputy Director	1.00	1.00	46,966 - 172,744	133,862
20000924	1876	Executive Secretary	1.00	1.00	43,555 - 52,666	51,349
20001172	2217	Financial Operations Manager	1.00	1.00	25,376 - 148,200	104,762
20000290	1348	Information Systems Analyst 2	1.00	1.00	54,059 - 65,333	63,373
20000377	1401	Information Systems Technician	1.00	1.00	42,578 - 51,334	50,051
20001194	2241	Investment Officer	1.00	1.00	34,694 - 207,210	135,801
90001073	2103	Management Intern - Hourly	0.63	0.63	24,274 - 29,203	15,292
20000678	1646	Parking Meter Supervisor	1.00	2.00	47,341 - 56,597	102,523
20000674	1641	Parking Meter Technician	8.00	11.00	41,330 - 49,400	507,195
20001182	2228	Principal Accountant	2.00	3.00	19,323 - 151,840	280,361
20000741	1726	Principal Clerk	1.00	1.00	43,555 - 52,666	49,769
20001222	2270	Program Manager	2.00	3.00	46,966 - 172,744	327,957
20000783	1776	Public Information Clerk	16.00	16.00	31,491 - 37,918	552,345
20000869	1844	Senior Account Clerk	4.00	4.00	36,067 - 43,514	166,766
20000927	1879	Senior Clerk/Typist	4.00	4.00	36,067 - 43,514	160,735
20000015	1106	Senior Management Analyst	3.00	2.00	59,363 - 71,760	135,985
20000827	1803	Senior Parking Meter Technician	1.00	1.00	43,472 - 51,792	51,792
20000970	1917	Supervising Management Analyst	1.00	1.00	66,768 - 80,891	66,768
20001148	2190	Treasurer	1.00	1.00	31,741 - 173,971	140,649
		Bilingual - Regular				30,576

# City Treasurer

## Personnel Expenditures (Cont'd)

Job Number	Job Class	Job Title / Wages	FY2011 Budget	FY2012 Proposed	Salary Range	Total
		Overtime Budgeted				159,161
		Termination Pay Annual Leave				30,422
<b>Salaries and Wages Subtotal</b>			<b>110.63</b>	<b>116.63</b>		<b>\$ 6,191,662</b>
<b>Fringe Benefits</b>						
		Employee Offset Savings				\$ 87,838
		Flexible Benefits				729,463
		Long-Term Disability				52,654
		Medicare				82,742
		Other Post-Employment Benefits				710,285
		Retiree Medical Trust				175
		Retirement 401 Plan				700
		Retirement ARC				2,120,720
		Retirement DROP				12,285
		Retirement Offset Contribution				133,685
		Risk Management Administration				113,039
		Supplemental Pension Savings Plan				222,221
		Unemployment Insurance				12,875
		Workers' Compensation				178,660
<b>Fringe Benefits Subtotal</b>						<b>\$ 4,457,342</b>
<b>Total Personnel Expenditures</b>						<b>\$ 10,649,004</b>